



Open Enrollment Edition

Open Enrollment web page

Visit the PEEHIP Open Enrollment web page at www.rsa-al.gov/PEEHIP/open-enroll.html to find information to help you make informed decisions about your health plan selections. You will find FAQs, tutorials, deadlines, Open Enrollment packets, information about adult child coverage, and other information relating to Open Enrollment.

Online Open Enrollment

Make your Open Enrollment changes **online** this year – it is the easiest, most efficient, and **preferred** way to enroll in new coverages or make changes to your existing coverages! More than half of all open enrollments last year were made online. New online features are available this year, including access to the history of your confirmation pages.

The Open Enrollment link to enroll online will be available beginning July 1, 2010, and will remain available through the entire online Open Enrollment period ending September 10, 2010. To make your Open Enrollment elections online:

1. Go to www.rsa-al.gov and click Member Online Services.
2. Enter your self-selected User ID and Password at the Log in page.
3. If you do not have a User ID and Password, click Register Now and fol-

low the on screen prompts to create your own User ID and Password. You will need your PID number which is the last eight digits of your contract number on your PEEHIP insurance card (exclude the leading zero).

4. Once you successfully log in, click the link “Enroll or Change PEEHIP Coverages” from the PEEHIP menu found at the left of your screen.
5. Click the Open Enrollment option and then click Continue and follow the on screen prompts until you receive your Confirmation page.

Open Enrollment Packets

The 2010-2011 packets will be made available online on the PEEHIP Open Enrollment web page by July 1, 2010. Just as last year, PEEHIP will not be mailing 2010-2011 Open Enrollment Packets to members. Instead, active and retired members can view and/or download a copy of the Open Enrollment Packet from the PEEHIP Open Enrollment web page at www.rsa-al.gov/PEEHIP/open-enroll.html. Members can make their insurance enrollments and/or changes online through Member Online Services at www.rsa-al.gov.

Members who do not have Internet access and cannot download the information can request an Open Enrollment Packet from

RSA Member Services at 877.517.0020.

Helpful Information about Open Enrollment

- ◆ If you do not wish to make changes to your PEEHIP Hospital Medical or Optional Plan coverages, please do **NOT** submit an Open Enrollment form to PEEHIP.
- ◆ **Exception:** If you want to renew your Flexible Spending Accounts, Federal Poverty Level Premium Discount, or PEEHIP CHIP coverage, you must **re-enroll each year** as these three programs do not automatically renew.
- ◆ Members enrolling in new insurance plans should receive a new ID card no later than the last week in September.
- ◆ All members covered by PEEHIP insurance should review their paycheck stubs each month to ensure the proper amount has been deducted for their PEEHIP premiums and Flex contribution amounts.
- ◆ The new payroll deduction for changes made to your PEEHIP insurance coverage during Open Enrollment will be reflected in your September paycheck. Flexible Spending Account contribution amounts will be deducted from your October paycheck. ■

Important Open Enrollment Dates - Mark Your Calendar!

Open Enrollment begins July 1, 2010, and will end by the following deadlines

- ◆ The deadline for submitting **online** Open Enrollment changes is midnight of **September 10, 2010**. After September 10, 2010, online Open Enrollment changes will not be accepted and the Open Enrollment link will be closed. **Online enrollment is the easiest, most efficient and preferred method of enrolling or making changes.**
- ◆ The deadline for submitting **paper** Open Enrollment forms is **August 31, 2010**. Any paper forms postmarked after August 31, 2010, will not be accepted.
- ◆ The deadline for enrollment or re-enrollment in a **Flexible Spending Account** online or on paper is **September 30, 2010**.

Effective Date of Coverage: October 1, 2010

Can I Enroll my Adult Child on my PEEHIP Coverage?



Effective for coverage beginning October 1, 2010, PEEHIP is extending insurance benefits to adult children up to age 26 (at the member's option) who are **not eligible for employer sponsored health insurance through their employer. If the adult child is married or marries while covered by PEEHIP, the child cannot be eligible for employer sponsored health insurance through either his or her employer or through his or her spouse's employer.** Maternity benefits are not covered for children of any age regardless of marital status.

In accordance with the recently enacted Federal Health Care Reform Legislation, the following adult children are eligible for coverage as a dependent under the member's PEEHIP contract without conditions of residency, student status, or dependency:

- ◆ Married or unmarried biological child, adopted child, step child, or foster child. An eligible foster child means an individual who is placed with a member by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.
- ◆ Any other children, for example grandchildren, must meet the same requirements as foster children and must be placed with you by decree or other order of any court of competent jurisdiction, such as legal custody or legal guardianship.

The normal family hospital medical premium will be charged to anyone who enrolls an eligible adult child. No additional charge will be required.

Enrollment requires certifying to PEEHIP that the child meets the eligibility requirements specified above. If false information is

given to PEEHIP, you will be responsible for all claims incurred by your child. Under penalties of perjury, if your child's insurance eligibility changes in any way before he or she reaches age 26, you are required to notify PEEHIP.

Note: If your child ages out or graduates during the summer, you must take action to enroll your child during Open Enrollment as these children are not automatically going to stay on your policy and convert to adult child coverage if they age out or graduate before October 1, 2010. Children who do not age out or graduate before October 1, 2010, will remain on your coverage until their next birthday (unless you notify PEEHIP otherwise). At that time, you will be required to certify to PEEHIP that your child meets the adult child eligibility requirements in order to remain a dependent on your coverage.

Members who wish to enroll an eligible adult child in PEEHIP coverage must do so during the upcoming Open Enrollment period which begins July 1, 2010, and ends August 31, 2010, for an effective date of coverage of October 1, 2010. The easiest, most efficient and **preferred way** to enroll your adult child in coverage is **online** through **Member Online Services** at www.rsa-al.gov. The Open Enrollment link is available July 1, 2010.

For additional information about enrolling an adult child in PEEHIP coverage, please view the Frequently Asked Questions about Adult Child Coverage on the PEEHIP Open Enrollment web page at www.rsa-al.gov/PEEHIP/open-enroll.html. ■

Notice to Enrollees in a Self-Funded Non-Federal Governmental Group Health Plan

Under a Federal law known as the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, as amended, group health plans must generally comply with the requirements listed below. However, the law also permits State and local governmental employers that sponsor health plans to elect to exempt a plan from these requirements for any part of the plan that is "self-funded" by the employer, rather than provided through a health insurance policy. The Public Education Employees' Health Insurance Board has elected to exempt the **Public Education Employees' Health Insurance Program** from the following requirements:

1. Prohibitions against discriminating against individual participants and beneficiaries based on health status. A group health plan may not discriminate in enrollment rules or in the amount of premiums or contributions it requires an individual to pay based on certain health status-related factors: health status, medical condition (physical and mental illnesses), claims experience, receipt of health care, medical history, genetic information, evidence of insurability, and disability.
2. Parity in the application of certain limits to mental health benefits. Group health plans (of employers that employ more than 50 employees) offering mental health benefits may not set annual or lifetime dollar limits on mental health benefits that are lower than limits for medical and surgical benefits. A plan that does not impose an annual or lifetime dollar limit on medical and surgical benefits may not impose that type of limit on mental health benefits. These requirements do not apply to benefits for substance abuse or chemical dependency.

The exemption from these federal requirements will be in effect for the plan year beginning October 1, 2010. The election will be for every subsequent plan years.

HIPAA also requires the Plan to provide covered employees and dependents with a "certificate of creditable coverage" when they cease to be covered under the Plan. There is no exemption from this requirement. The certificate provides evidence that you were covered under this Plan, because if you can establish your prior coverage, you may be entitled to certain rights to reduce or eliminate a preexisting condition exclusion if you join another employer's health plan, or if you wish to purchase an individual health insurance policy.

For more information regarding this notice, please contact PEEHIP. ■

Don't Miss Out on Your Chance for a Real Tax Break

Enroll in the PEEHIP Flexible Spending Accounts

We are all looking for ways to increase our spendable income and participating in PEEHIP's Flexible Spending Account program is one way that really works! **You save money by not paying** taxes on the contribution amount you elect. This allows you to keep more of the money you earn!

PEEHIP offers two types of Flexible Spending Accounts (FSA) to **active employees** – the Health and the Dependent Care Spending Accounts. By law, FSA is not available to retired members. Here is how a Flex account works – it's easy as 1, 2, 3:

1. You contribute pre-taxed dollars into your flex account via payroll deduction.
2. You submit eligible expenses for reimbursement throughout the year.
3. The money you paid out-of-pocket is reimbursed to you from your flex account.

By enrolling in a PEEHIP Flexible Spending Account, you will be able to put money aside via payroll deduction into a Flex account **BEFORE** it is taxed. Your Flexible Spending Account then reimburses you with tax-free dollars for the out-of-pocket medical expenses incurred by you and your dependents. **Keep in mind that copayments and deductibles are increasing**

beginning October 1, 2010. Participating in the Health Care Flex program will be an excellent way to help offset those increases.

Prior to enrolling in a Health FSA, you need to determine the amount you will spend on medical expenses during the year. To do this, look at last year's medical, dental, vision and pharmaceutical expenses, calculate the increase in the copayments and deductibles. Then plan ahead for special items like glasses, crowns, braces, eye surgery, hearing aids, etc., to determine your annual contribution amount and the tax savings you will realize on the money you are already going to spend for out of pocket medical expenses. You can use your flex account for medical expenses incurred between October 1, 2010, and December 15, 2011. You have until January 15, 2012, to file your claims for reimbursement.

You can also save on your income tax through the Dependant Care Flexible Spending Account. This Flex account allows you to contribute pre-taxed dollars to a Dependent Care Spending Account then reimburses you for expenses associated with the care of your children or other dependents, such as an elderly parent or disabled child or spouse, while you work or attend school full-time. The cost of the child or adult dependent care is money you will be spending regardless of whether you

get the tax break or not, so it makes sense to take advantage of the tax savings offered to you through the PEEHIP Flexible Spending Accounts. You can use your Dependent Care Flex account for dependent care expenses incurred between October 1, 2010, and September 30, 2011. You have until January 15, 2012, to file your claims for reimbursement.

Enroll in a Flexible Spending Account during the upcoming **Flex Open Enrollment** period which begins **July 1, 2010, and ends September 30, 2010**. The easiest, most efficient and **preferred** way to enroll is **online** through **Member Online Services** at www.rsa-al.gov.

For additional information about PEEHIP's FSA program, visit the PEEHIP Flexible Spending Accounts web page at www.rsa-al.gov/PEEHIP/flex.html. Additionally, PEEHIP representatives will be giving presentations at the school systems to educate and inform employees how the Flex program works and how participation in the FSA program can benefit you. Door prizes will be given at the presentations, and those who enroll in a Flexible Spending Account during the upcoming Open Enrollment period will be eligible for grand prize drawings. ■

Student Verification Program

Effective October 1, 2010, PEEHIP will no longer continue its Student Verification Program.

A student dependent whose birthday is in September 2010 or after will no longer need to certify to PEEHIP their full-time status as a student. Student dependents who have birthdays prior to September 2010 must certify to PEEHIP their full-time student status to remain a dependent on the member's coverage. This is required because the adult child coverage does not become effective until October 1, 2010.

Michelle's Law: The purpose of Michelle's Law was to avoid dependent children losing group health coverage through a parent if they drop out of school because of illness. Michelle's Law would have been effective for PEEHIP beginning October 1, 2010. Due to the enactment of the federal Affordable Care Act, the coverage of adult children up to age 26 will be expanded under PEEHIP effective October 1, 2010, regardless of student status. As such, Michelle's Law is irrelevant as health care reform will provide more coverage to adult children than Michelle's Law.



Important Notice About Your Prescription Drug Coverage & Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with PEEHIP and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan or keep your PEEHIP drug coverage. If you are considering joining a Medicare drug plan, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. PEEHIP has determined that the prescription drug coverage offered by the PEEHIP is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing PEEHIP coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when

you first become eligible for Medicare and each year from November 15th through December 31st.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current PEEHIP Coverage If You Decide to Join A Medicare Drug Plan?

If you do decide to join a Medicare drug plan and drop your PEEHIP drug plan, your current PEEHIP drug coverage will terminate on the date that you enroll in a Medicare drug plan. Please be aware that you and your covered dependents will lose the PEEHIP drug coverage and you will not be able to get this coverage back until you drop the Medicare Part D coverage. You cannot have PEEHIP prescription drug coverage and Part D coverage at the same time.

If you enroll in a Medicare drug plan, you and your dependents will still be eligible for your current PEEHIP **health** benefits but will have no **prescription drug** coverage under PEEHIP.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with PEEHIP and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition,

you may have to wait until the following November to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the PEEHIP office at 877.517.0020 for further information. NOTE: You will receive this notice each year and you may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You will get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- ◆ Visit www.medicare.gov
- ◆ Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- ◆ Call 800-Medicare (800.633.4227). TTY users should call 877.486.2048.

An exception may apply to certain "low-income" individuals who may be eligible for prescription drug subsidies, and thus may be better off applying for a subsidy and Part D (two separate steps). For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 800.772.1213 (TTY 800.325.0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty). ■